

# SENATE BILL REPORT

## SB 5979

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As Passed Senate, March 12, 2007

**Title:** An act relating to modifying transportation innovative partnerships provisions.

**Brief Description:** Modifying transportation innovative partnerships provisions.

**Sponsors:** Senators Murray, Swecker, Haugen, Pflug, Marr and Kohl-Welles.

**Brief History:**

**Committee Activity:** Transportation: 2/28/07, 3/01/07 [DP].

Passed Senate: 3/12/07, 48-0.

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### SENATE COMMITTEE ON TRANSPORTATION

**Majority Report:** Do pass.

Signed by Senators Haugen, Chair; Marr, Vice Chair; Murray, Vice Chair; Swecker, Ranking Minority Member; Benton, Berkey, Clements, Delvin, Eide, Holmquist, Jacobsen, Kastama, Kauffman, Kilmer, Sheldon and Spanel.

**Staff:** Kelly Simpson (786-7403)

**Background:** In 2005, SHB 1541 was enacted establishing the Transportation Innovative Partnership (TIP) program. The TIP program authorizes public-private partnerships for certain transportation projects. The Washington Transportation Commission (WTC) is responsible for rule-making and oversight of contract execution, while the Washington State Department of Transportation is primarily responsible for evaluating project proposals. Eligible projects for development under the TIP program generally include transportation projects, whether capital or operating, the primary purpose of which is to safely transport people or goods via any mode of travel, with the exception of projects that are primarily for recreational purposes.

**Summary of Bill:** Various clarifying changes are made to the 2005 TIP program enabling legislation, including the bonding, advisory committee, and expert review panel provisions.

All proposed financing plans under the TIP program must: (1) publically disclose any possible impacts the plan could have on toll payers, statewide taxpayers, state fund sources, and projects or programs that are direct beneficiaries of state fund sources; and (2) if utilizing state debt, be compared against alternative financing options that utilize debt in any way that would result in the lowest cost of commercially available capital. If the WTC finds that the alternative financing structure is capable of providing sufficient proceeds to complete the

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project, the WTC may submit a proposal to the Legislature to deviate from the state debt financing restrictions.

**Appropriation:** None.

**Fiscal Note:** Not requested.

**Committee/Commission/Task Force Created:** No.

**Effective Date:** Ninety days after adjournment of session in which bill is passed.

**Staff Summary of Public Testimony:** PRO: This legislation implements recommendations from a recent WA Transportation Commission report. It will assist the Commission as it considers public-private partnership proposals by allowing for a comparison of alternative financing options for transportation project financing. Transportation project funding is becoming more complex. Other states around the country have found success using alternative financing and public-private partnerships. The bill also makes some clarifying changes to the bill that passed two years ago creating the program.

**Persons Testifying:** PRO: Senator Murray, prime sponsor; Duke Schaub, AGC-Washington; Reema Griffith, Washington Transportation Commission; Jeff Doyle, WSDOT.